

UNC Workgroup 0410/0410A Minutes
Responsibility for gas off-taken at Unregistered Sites following New
Network Connections
Monday 07 January 2013
at 31 Homer Road, Solihull B91 3LT

Attendees

| | | |
|------------------------|-------|----------------------------------|
| Bob Fletcher (Chair) | (BF) | Joint Office of Gas Transporters |
| Helen Cuin (Secretary) | (HC) | Joint Office of Gas Transporters |
| Alan Raper | (AR) | National Grid Distribution |
| Alex Ross-Shaw* | (ARS) | Northern Gas Networks |
| Andrew Margan | (AM) | British Gas |
| Anne Jackson* | (AJ) | SSE |
| Chris Warner | (CW) | National Grid Distribution |
| Colette Baldwin | (CB) | E.ON UK |
| David Addison | (DA) | Xoserve |
| David Corby* | (DC) | National Grid NTS |
| Erika Melén | (EM) | Scotia Gas Networks |
| Gareth Evans* | (GE) | Waters Wye Associates |
| Lorna Lewin | (LL) | DONG |
| Steve Mullingan | (SM) | Gazprom |

* via teleconference

Copies of all papers are available at: www.gasgovernance.co.uk/0410/070113

The Workgroup Report is due to the UNC Modification Panel on 21 February 2013.

1. Review of Minutes and Actions from previous meeting**1.1. Minutes**

The minutes of the previous meeting were accepted.

1.2. Actions

1101: Ownership of/responsibility for 'neutrality pot' - National Grid NTS to elucidate its concerns and provide a view to Ofgem as to why it thinks the Licence is directly impacted.

Update: DC reported that it was not possible to complete the action without access to the legal text and that an update will be provided once it is available. **Carried Forward.**

2. Workgroup Report**Modification 0410**

ARS confirmed that the legal text is being drafted and should be available by the end of January for consideration at the 04 February 2013 Workgroup Meeting. DC was keen to review the legal text before the 04 February to allow the closure of Action 1101.

DC was hoping that the legal text would provide further clarity and alleviate any National Grid NTS concerns about being the counter party. It was understood that they would not be exposed to any risks and would simply be the custodian of the monies. DC accepted the view that there shouldn't be any risks but wished to review the legal text to be certain that National Grid NTS would be divorced to any risk associated with the allocation of energy.

BF questioned the progress with the Cost estimate. DA believed it would be prudent to wait until the modification is finalised before Xoserve provide a cost estimate and that it should be available for consideration at the February meeting. He clarified his understanding that where the Transporter visit sites after 12 months, when an incoming shipper indicated it is not responsible for gas offtaken prior to ownership and this would trigger a site visit for an assessment to be taken by the transporter to assess the appropriate treatment of gas offtaken.

It was agreed that Northern Gas Networks would provide National Grid NTS a copy of the draft legal text to review and conclude Action 1101.

Action 0101: Northern Gas Networks to provide the draft legal text to National Grid NTS to review and conclude action 1101.

Although GE was keen to meet the February Panel reporting deadline he was not adverse to delaying the report to the March Panel. SN suggested that the Workgroup aims to submit the report to the March UNC Panel meeting to allow sufficient time to consider the legal text and cost estimate.

The Workgroup considered the recent changes to the modification and reviewed the business rules. Where the Transporter has created MPRN on behalf of a Shipper and the registration fails and remains unregistered Transporters will be able to recover costs back from the Shipper.

A number of amendments to the business rules were noted and agreed and GE agreed to reflect these suggestions in an amended modification.

Modification 0410A

CW confirmed no further amendments had been made to the modification since the 12 November and discussed at the 22 November Workgroup meeting.

Workgroup Report

It was questioned if the two modifications could be de-coupled. The group agreed to consider both modifications and provide a view at the February meeting as to the possibility of being able to implement both modifications.

Action 0102: All Workgroup Members to analyse to the extent that Modifications 0410 and 0410A are exclusive and could be decoupled.

EM confirmed Scotia Gas Network's intention to raise a new modification in relation to MPRN creation. GE suggested that Total might have a different view on Modification 0410 if a new MPRN creation process to address the issues within 0410 and 0410A compliments the proposed new process.

The Workgroup reviewed the Workgroup Report and the relevant objectives. It was agreed to review and aim to finalise the report for the March UNC Panel Meeting.

SM suggested that the Workgroup considers Scotia Gas Networks suggested proposal at the next meeting. It was agreed the proposal needn't be officially raised to discuss the merits of a new MPRN creation process.

Action 0103: Scotia Gas Networks to provide more information on a new MPRN creation process at the February meeting.

3. Any Other Business

None raised.

4. Diary Planning for Workgroup

Further details of planned meetings are available at: www.gasgovernance.co.uk/Diary

The next meeting will take place within the business proceedings of the Distribution Workgroup on:

Monday 04 February 2013, at 10:00, 31 Homer Road, Solihull B91 3LT

Action Table

| Action Ref | Meeting Date | Minute Ref | Action | Owner | Status Update |
|------------|--------------|------------|---|--|------------------------|
| 1101 | 22/11/12 | 2.0 | <i>Ownership of/responsibility for 'neutrality pot'</i> - National Grid NTS to elucidate its concerns and a provide view to Ofgem as to why it thinks the Licence is directly impacted. | National Grid NTS (DC) | Carried Forward |
| 0101 | 07/01/13 | 2.0 | Northern Gas Networks to provide the draft legal text to National Grid NTS to review and conclude action 1101. | Northern Gas Networks (ARS) / National Grid NTS (DC) | Pending |
| 0102 | 07/01/13 | 2.0 | All Workgroup Members to analyse to the extent that Modifications 0410 and 0410A are exclusive and could be decoupled. | All | Pending |
| 0103 | 07/01/13 | 2.0 | Scotia Gas Networks to provide more information on a new MPRN creation process at the February meeting. | Scotia Gas Networks (SGN) | Pending |